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# GOVERNMENT GAZETTE

## BOLETIM OFICIAL

### SUPPLEMENT

#### (SUPLEMENTO)

#### GOVERNMENT OF GOA, DAMAN AND DIU

Finance (Revenue) Department

Fin(Rev)/2-31/1449/67

The following Act passed by Parliament received the assent of the President of India on 15th December, 1967, and is hereby published for general information.

V. S. Srinivasagopalan, Dy. Secretary (Finance).

Panaji, 1st January, 1968.

#### The Taxation Laws (Amendment) Act, 1967

(Act No. 27 of 1967)

AN

ACT

further to amend the *Wealth-tax Act, 1957*, the *Gift-tax Act, 1958*, and the *Income-tax Act, 1961*, and to amend the *Finance (No. 2) Act, 1967*.

BE it enacted by Parliament in the Eighteenth Year of the Republic of India as follows: —

1. **Short title and commencement.** — (1) This Act may be called the *Taxation Laws (Amendment) Act, 1967*.

(2) It shall be deemed to have come into force on the 1st day of October, 1967, except that section 5

shall be deemed to have come into force on the 14th day of September, 1967.

2. **Amendment of Act 27 of 1957.** — In the *Wealth-tax Act, 1957*, in sections 31 and 34A, for the words "six per cent", the words "nine per cent", shall be substituted.

3. **Amendment of Act 18 of 1958.** — In the *Gift-tax Act, 1958*, in sections 32 and 33A, for the words "x per cent", the words "nine per cent", shall be substituted.

4. **Amendment of Act 43 of 1961.** — In the *Income-tax Act, 1961*, —

(i) in section 37, after sub-section (2), the following sub-section shall be inserted, namely: —

"(2A) Notwithstanding anything contained in sub-section (1) or sub-section (2), no allowance shall be made in respect of so much of the expenditure in the nature of entertainment expenditure incurred by any assessee during any previous year which expires after the 30th day of September, 1967, as is in excess of the aggregate amount computed as hereunder: —

(i) on the first Rs. 10,00,000 at the rate of of the profits and gains of  $\frac{1}{2}$  per cent. the business or profession or Rs. 5,000, (computed before making whichever is any allowance under section 33 or section 33A or higher; in respect of entertainment expenditure)

(ii) on the next Rs. 40,00,000 at the rate of of the profits and gains of  $\frac{1}{4}$  per cent.; the business or profession (computed in the manner aforesaid)

- (iii) on the next Rs. 1,20,00,000 at the rate of  $\frac{1}{8}$  per cent.; of the profits and gains of the business or profession (computed in the manner aforesaid)
- (iv) on the balance of the profits and gains of the business or profession (computed in the manner aforesaid) *nil.*

Provided that where the previous year of any assessee falls partly before and partly after the 30th day of September, 1967, the allowance in respect of such expenditure incurred during the previous year shall not exceed —

(a) in the case of a company —

(i) in respect of such expenditure incurred before the 1st day of October, 1967, the sum which bears to the aggregate amount computed at the rate or rates specified in sub-section (2), the same proportion as the number of days comprised in the period commencing on the first day of such previous year and ending with the 30th day of September, 1967, bears to the total number of days in the previous year;

(ii) in respect of such expenditure incurred after the 30th day of September, 1967, the sum which bears to the aggregate amount computed at the rate or rates specified in this sub-section, the same proportion as the number of days comprised in the period commencing on the 1st day of October, 1967, and ending with the last day of the previous year bears to the total number of days in the previous year;

(b) in any other case —

(i) in respect of such expenditure incurred before the 1st day of October, 1967, the amount admissible under sub-section (1);

(ii) in respect of such expenditure incurred after the 30th day of September, 1967, the sum which bears to the aggregate amount computed at the rate or rates specified in this sub-section, the same proportion as the number of days comprised in the period commencing on the 1st day of October, 1967, and ending with the last day of the previous year bears to the total number of days in the previous year.”;

(ii) in section 132A, 139, 201, 213 to 217, 220, 243 and 244, for the words “six per cent.”, the words “nine per cent.” shall be substituted;

(iii) in section 280X, —

(a) in sub-section (1), clause (b) of the proviso shall be omitted;

(b) for the *Explanation*, the following *Explanation* shall be substituted, namely: —

‘*Explanation.* — (i) In this section, the expression “annuity deposit required to be made” shall mean the amount of annuity deposit calculated on the adjusted total income

of the depositor at the rate or rates specified in the Finance Act of the relevant year, but where the amount so calculated exceeds the amount computed in the manner specified in clause (ii) of this *Explanation* (the amount so computed being hereinafter referred to as the specified amount), then, the annuity deposit required to be made shall mean the specified amount.

(ii) The specified amount referred to in clause (i) of this *Explanation* shall be —

(a) in a case where the total income (as computed without making any allowance under section 280O) exceeds fifteen thousand rupees but does not exceed twenty thousand rupees, an amount equal to one per cent. of the adjusted total income of the depositor;

(b) in a case where the total income (computed in the manner aforesaid) exceeds twenty thousand rupees but does not exceed twenty-five thousand rupees, an amount equal to —

(1) the aggregate of the sum calculated at one per cent. on so much of the adjusted total income as does not exceed twenty thousand rupees and the sum by which the total income (computed in the manner aforesaid) exceeds twenty thousand rupees, or

(2) one and a half per cent. of the adjusted total income of the depositor,

whichever is less;

(c) in a case where the total income (computed in the manner aforesaid) exceeds twenty-five thousand rupees, an amount equal to the aggregate of the sum calculated at one and a half per cent. on so much of the adjusted total income as does not exceed twenty-five thousand rupees and the sum by which the total income (computed in the manner aforesaid) exceeds twenty-five thousand rupees’.

5. Amendment of Act 20 of 1967. — In the Finance (No. 2) Act, 1967,—

(i) in section 3, for sub-section (1), the following sub-section shall be, and shall be deemed always to have been, substituted, namely: —

“(1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit shall be made by every person to whom the provisions of that Chapter apply —

(a) for the assessment year commencing on the 1st day of April, 1967, at the rate or rates specified in Part I of the Second Schedule; and

(b) during the financial year commencing on the 1st day of April, 1967 (in relation to the adjusted total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1968), at the rate or rates specified in Part II of the Second Schedule.”;



(ii) for the Second Schedule, the following Schedule shall be, and shall be deemed always to have been, substituted, namely:—

## THE SECOND SCHEDULE

(See section 3)

### PART I

#### RATES OF ANNUITY DEPOSIT FOR THE ASSESSMENT YEAR 1967-68

- (i) In the case of any depositor whose total income does not exceed Rs. 15,000 Nil.
- (ii) In the case of any depositor whose total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 5 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed half the amount by which the total income exceeds Rs. 15,000.

- (iii) In the case of a depositor whose total income exceeds Rs. 20,000 but does not exceed Rs. 40,000  $7\frac{1}{2}$  per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at five per cent. on so much of the adjusted total income as does not exceed Rs. 20,000;

(b) one-half of the amount by which the total income exceeds Rs. 20,000.

- (iv) In the case of a depositor whose total income exceeds Rs. 40,000 but does not exceed Rs. 70,000 10 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at seven and a half per cent. on so much of the adjusted total income as does not exceed Rs. 40,000;

(b) one-half of the amount by which the total income exceeds Rs. 40,000.

- (v) In the case of a depositor whose total income exceeds Rs. 70,000  $12\frac{1}{2}$  per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at ten per cent. on so much of the adjusted total income as does not exceed Rs. 70,000;

(b) one-half of the amount by which the total income exceeds Rs. 70,000.

### PART II

#### RATES OF ANNUITY DEPOSIT TO BE MADE DURING THE FINANCIAL YEAR 1967-68

- (i) In the case of any depositor whose total income does not exceed Rs. 15,000 Nil.
- (ii) In the case of any depositor whose total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 6 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed half the amount by which the total income exceeds Rs. 15,000.

- (iii) In the case of a depositor whose total income exceeds Rs. 20,000 but does not exceed Rs. 40,000 9 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at six per cent. on so much of the adjusted total income as does not exceed Rs. 20,000;

(b) one-half of the amount by which the total income exceeds Rs. 20,000.

- (iv) In the case of a depositor whose total income exceeds Rs. 40,000 but does not exceed Rs. 70,000 12 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at nine per cent. on so much of the adjusted total income as does not exceed Rs. 40,000;

(b) one-half of the amount by which the total income exceeds Rs. 40,000.

- (v) In the case of a depositor whose total income exceeds Rs. 70,000 15 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at twelve per cent. on so much of the adjusted total income as does not exceed Rs. 70,000;

(b) one-half of the amount by which the total income exceeds Rs. 70,000.

*Explanation.*—In this Schedule, “total income” means total income computed in the manner laid down in the Income-tax Act without making any allowance under section 280O of that Act.

6. Repeal and saving. — (1) The Taxation Laws (Amendment) Ordinance, 5 of 1967, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under any provision of the said Ordinance shall be deemed to have been done or

taken under the corresponding provision of this Act as if such provision was in force on the date on which such thing was done or action taken.

V. N. BHATIA

Secretary to the Government of India